

5/037/106

File: UTU- 74613 (U-069)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab District
San Juan Resource Area
P.O. Box 7
Monticello, Utah 84535

COMPLIANCE INSPECTION MINING

Operator: John Brown, Larry Hixon Date Inspected: 4/1/98

General Location: East Canyon/Neighbor Mine (Old Frisco Mine?)

Legal Description: T. 31 S., R. 24 E., Section 25, SE1/4 SW1/4

Mining Claims: Unknown at this time

STATUS

Mining: Explor.: Rehab.: Pending: X

Remarks:

I met Mr. John Brown and Mr. Larry Hixon at the Neighbor Mine to discuss their proposed mining and reclamation plans. The mine is essentially the same site as the old Frisco Mine owned by Mr. Nick Murphy of Moab, Utah. Mr. Hixon currently is leasing the mine from Mr. Murphy. According to Mr. Brown and Mr. Hixon, the mine was operated in the 20's and 30's for its vanadium content. The bulk of the disturbance occurred in the early to mid 1970's. The majority of the site is on BLM surface (section 25). However, most of the access and a gate is located on State section 36. John Brown assisted me in collecting field data so I could make a map of the site. The method of mapping used was pace/chain and compass. I prepared a map of the site showing existing features and areas of proposed re-disturbance (see attached map dated 4/03/98).

Existing Features

The site has been previously disturbed by surface and underground operations. The site consists of: an open pit and associated overburden and waste rock piles around the pit margins (approximately 2.5 acres); old waste rock pad and dump area at the canyon rim

(nearly 1 acre); a mine portal in the central portion of the pit; a second portal, pad and dump located approximately 600 feet northeast of the main mine portal (total disturbance approximately 0.25 acre); three ore stockpiles totalling approximately 800-1000 tons, and; numerous old mine access and drill roads and, miscellaneous mine equipment or debris as shown on map.

Proposed Mine Operations

The operator proposes to remove and ship the existing ore stockpiles and then resume underground operations to remove additional vanadium and uranium ore reserves. Both portals will be used for mining purposes. The main mine portal will be used for primary access to the mine and to haul ore out of the mine. The northeast portal will be used for ventilation and as an escape way only. To accomplish this it will be necessary to extend the drift from the ventilation portal approximately 60 feet to connect with the main mine workings. Sufficient waste rock to close the ventilation portal will be stockpiled outside and adjacent to the ventilation portal. Excess material from that operation will remain in the mine.

The operator anticipates that most, if not all, of the waste rock produced in mining will be stored underground in available stopes or abandoned areas of the mine. However, in the event an additional waste rock disposal area is needed, an alternate site was designated. The area designated for waste rock disposal is the eastern arm of the old open pit (see map). The pit currently collects surface runoff and when filled, the water drains toward the mine portal. To remedy this problem, the operator will construct a drainage diversion ditch to allow water to flow around the mine dump and into the canyon (see map).

Ore will be stockpiled on the old waste rock pad area. As sufficient tonnage is produced, it will be trucked to the mill near Blanding, Utah. The access road to the site is in need of repair from East Canyon to the Mine. The road has been claimed by San Juan County as a class D road. However, no maintenance has been done by the county and the road has eroded to the point that haul trucks cannot currently access the mine. The class D road is almost entirely on State section 36.

Gates will be placed across the two portals to be closed during periods of non-operation. The operator will place a camp trailer on site as a temporary residence while mining operations are occurring (see map). During extended periods of non-operation the trailer will be removed and the site left in a clean and safe condition.

Reclamation

Approximately 1.7 acres will be re-disturbed by the proposed operations. Reclamation will consist of: closing the two portals with waste rock material; general clean-up of area by removing all mine equipment and debris, including all currently located near the main mine portal as shown on the map; and, seed bed preparation and seeding of all redisturbed areas (see map), with the possible exception of the alternate waste rock disposal area. There is no topsoil available on the areas that will be re-disturbed since none was saved prior to past operations. Therefore, it will not be required that topsoil be saved and reapplied. Although the operator will be occupying the bottom of a portion of the old pit, the pit will not be widened or deepened. It is not reasonable that the operator be responsible for pit backfilling and total reclamation of the site. Costs could become prohibitive to mining. As stated, previous operations were pre-law and conducted by a separate party.

The operator indicated that they may do additional pit backfilling and reclamation of old disturbances if they have sufficient equipment to do the work on site and work doesn't become to costly. It is important to note that additional work, beyond that identified as being required, would be voluntary. The BLM cannot require reclamation of previous disturbance unless areas are re-used.

I provided the operator a copy of the new BLM regulations requiring a certification by a Professional Engineer of the reclamation cost estimate and the requirement to provide a financial guarantee to cover that estimated reclamation cost. The BLM has not received a notice or the other required information. Once all the information is filed with this office, I will forward copies to DOGM for their review.

Date/

Signature